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FILED

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SECRETARY, BOARD OF
OIL, GAS & MINING

December 4, 2019

Board of Oil, Gas and Mining
ATTENTION: Mr. Ruland Gill, Chairman
1594 West North Temple
Salt Lake City, UT 84116

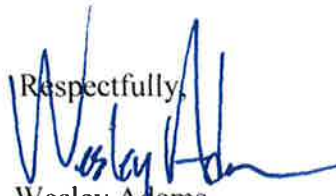
Re: Docket No. 2019-027
Cause No. 194-03

Dear Chairman Gill:

The School and Institutional Trust Lands Administration (SITLA) is writing this Statement of Support regarding the Request for Agency Action (RAA), filed by Wesco Operating, Inc. (Wesco) on November 26, 2019.

Wesco is the Operator of Cane Creek Federal Unit (Unit), wherein two SITLA leases (ML 40571 and ML 40761) are currently receiving benefit for Utah Public Schools from shared oil and gas production. SITLA receives about 11 percent proportionate share of the production from the Unit. As indicated in the RAA, shutting in wells creates economic waste of oil and NGL's and potentially damages reservoir permeability. SITLA agrees that flaring the gas volumes sought in the RAA at the Blue Hills Gas Plant is a reasonable resource conservation effort, given the circumstances, but seeks timely resolution on resuming Greentown Pipeline operations and royalty payments on wasted flare volumes.

SITLA interprets flaring at the Blue Hills Gas Plant to be avoidable, if not for the Greentown Pipeline Operator's failure to comply with the Utah Division of Public Utilities and Public Service Commissions' requests. As Wesco does not have direct control over the pipeline operations, it seems inappropriate to curtail or shut-in their production volumes and create detriment to their operations by putting millions of dollars of investment and stakeholder revenue at risk during the interim period of pipeline regulatory compliance with the Public Service Commission.

Respectfully,

Wesley Adams
Assistant Director/ Oil & Gas